

# ***Headquarters U.S. Air Force***

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***Integrity - Service - Excellence***

## **CE and Competitive Sourcing**



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***Mr. Larry Dubbert  
HQ AF/ILEXO  
28 Aug 01***



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## Overview

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**....could be compared to riding a roller coaster where the cars are not connected....**

From a BCE



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# ***Overview***

- **Current Environment**
- **Goals**
- **Strategies**
- **Challenges**
- **Future**



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# Current Environment



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# ***Influences***

- **Mar 2001 OMB letter**
  - **President's commitment to open 1/2 of FAIR Act positions to competition with private sector**
  - **Directs all agencies to complete public-private competitions or direct conversions of at least 5% of the FAIR FTEs by FY 2002**
- **PBD 824**
  - **Discussion on-going on how the targets will impact the Air Force**



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# ***Jump Start***

- **1997 - large round of CS candidates identified**
- **AF Approach**
  - **Scrub AFSs**
  - **Target non-military essential**
  - **HAF/MAJCOMs identify functions that can or can't be outsourced**
- **Purpose**
  - **Identify potential candidates**
  - **Commitments**
  - **Develop functional strategy**



# ***Defense Reform Initiative Directive (DRID) #20***

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- **DoD Initiative**
- **Code Every Authorization in the UMD**
  - **Inherently Governmental**
  - **Commercial Activity Exempt from A-76**
  - **Commercial Activity That Should Be Competed**
- **Included Jump Start positions +**
  
- **Executing program set up by these and other initiatives**
- **Studies announced 1997**



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# Goals





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# ***Goals***

- **Prime Goal - support Air Force goals by reducing costs and improving performance of base Civil Engineer activities**
- **Competitive sourcing is not a new concept to CE**
  - **Done for years with such things as construction, custodial, elevator maintenance, oil-water separator maintenance, housing maintenance**



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# Strategies



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# ***CE Strategy***

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- **CE Picture**
  - **Approximately 10,000 positions**
    - **Resulted from DRID 20 + Jump Start**
  - ***Coded as pending contract award, pending cost comparison, or subject to review***
- **An additional 680 positions under UP**



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# ***CE Strategy***

- **Go After Larger Opportunities - Consolidate Warfighter Requirements At Deployment Bases**
- **Warfighter Tasked Bases -- cost compare smaller work centers within readiness constraints**
- **Move UTCs from non-deploying to deploying bases**
- **Non-Warfighter Tasked Bases -- entire functions - every possible support function - bigger the package the greater the savings - cost compare entire squadron at non-UTC bases**
  - **AFMC and AETC: UTC's concentrated**
  - **ACC: Offutt**
  - **AMC: MacDill**
- **Limited reengineering**



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# ***CE Strategy***

- **Consider for CC regardless of readiness**
  - **Manned Heating Plants/Refuse Collection/Housing Maintenance/Housing Management/Real Estate Management/Software and User Support**
- **Compare within readiness constraints**
  - **Real Property Maintenance, Repair, and Modification/Base Comprehensive Plan/Contract Program/Project Design/Construction Management/Pollution Prevention Program/Logistic Support/Readiness Planning, Training, Equipment Management, and Exercise Participation**



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# ***CE Strategy***

- **Don't Cost Compare**
  - **QAE/Environmental Advisor/Fire Protection  
Flight/EOD Flight**
  
- **Strategy joint development of major commands,  
headquarters, and AFCESA**



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# ***CS Options***

- **OMB Circular A-76 - Cost Comparison (CC)**
  - **AETC Pick-a-Bases**
  - **AFMC centers**
- **Direct Conversion to contract**
  - **NIB/NISH**
  - **Native American Owned**
    - **Kirtland**
    - **MacDill**
- **Mix of best value and low price**



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# ***CS Options***

- **Execution rests with the Major Commands and installations**
  - **What works best for unique requirements**
- **Working the commitments**
  - **Heavy investment of time by the process owners and functionals**





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# ***Large Studies***

- **Operations Flights**
  - **Tyndall AFB**
  - **Columbus AFB**
- **CE Squadrons**
  - **MacDill AFB**
  - **Kirtland AFB**
  - **Tinker AFB**
  - **Wright-Patterson AFB**



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# ***Large Studies***

## ■ **BOS**

- **Maxwell AFB - AETC**
- **Lackland AFB - AETC**
- **Keesler AFB - AETC**
- **Sheppard AFB - AETC**
- **Offutt AFB - ACC**



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# Challenges



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# ***Challenges***

- **The personal cost to units under A-76 is high**
- **View dependent on where you are in process**
  - **Challenges to organizations under study**
  - **Stresses organization under when coming in - unit has faced issues for up to 4 years**



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# ***Challenges***

- **High Turnover - in large studies CE one of the most heavily impacted due to numbers under study**
  - **Difficulty in Replacing Civilians and Military (Term and Temporary Civilians, Military Frozen)**
  - **Civilian and military personnel will have had varying success in meeting the personnel needs of the organization**
    - **Advertise downtown**
    - **Ask for policy waivers on filling positions - limited permanent hires**
    - **Limited inbounds for military - if at 100% prior to freeze, a plus**



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# ***Challenges***

## **■ Motivation**

- Communication with workforce important**
- Many unaware of what is going on - only know it affects them**
  - Finally at end, now what**
- Process appears secretive to many - difficult to decide how to personally proceed with limited knowledge**
- Customer issues - no one likes surprises**



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# ***Challenges***

- **Already tight personnel numbers even more so while working study (MEO, PRD development)**
  - **Example 1: 17 total on MEO - many others pulled in for different tasks over 9 months**
  - **Example 2: At peak, 40 people**
  - **Example 3: 6-8 CE personnel + Dep Chief of Ops as team chief**
  - **Example 4: 2 MEO Team chiefs were Deputy BCEs**
  - **Just part of one MEO team - FSC director, 2 engineers and the resources chief, Deputy Chief of Transportation, Technical Director and Chief of Plans Support at Comm - all out for 9 months**



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# ***Challenges***

- **Unwavering standards for work**
- **Don't be surprised - many base personnel (commanders, customers, organizational members) are "unaware" of how coming changes affect them**
- **MEO or contractor "winning" not viewed the same by everyone**
- **Military and civilians both impacted**
  - **Assignments frozen, excessive time on station, leaving your home, limited employment prospects in some locations, changing employers**





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# ***Transition Challenges***

- **Transition to the new provider**
  - **Mission will not slow down**
- **Managing an MEO**
  - **How will MEO be managed so non-PRD requirements are added only with accommodation**
- **Availability of personnel is unclear**
  - **Special Equipment**
  - **Depends on many factors including economy in area, structure of work force, etc.**
- **Maintenance of in-house expertise where needed such as QA functions**
- **Overall - is it working?**



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# ***Process Challenges***

- **PWS quality crucial to success**
- **Time line**



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# Future



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# ***Future***

- **External pressures**
- **Changes to law**
- **Readiness requirements**



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## ***Summary***

- **We are executing incrementally the program set in place in the last few years**
- **Difficulties with process have created opposing pressures**
  - **Some want more studies**
  - **Others more review before we proceed**
- ***Huge impact on people and culture***
- **Most reviewable functions that remain are small**



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# Questions